

IV. HOUSING OPPORTUNITIES

This section evaluates the potential residential development that could occur based on Chula Vista's General Plan and Zoning Ordinance.

AVAILABILITY OF SUITABLE SITES

Housing element law mandates that a city must show that it has adequate sites with required public services and facilities for a variety of housing types for all income levels. In this section, adequate sites will be discussed in terms of the City's Regional Share Goals for 1999-2004 as established by SANDAG.

Regional Share Goals

According to state law, a local jurisdiction's housing needs must include their share of the projected needs for housing in the region (regional share). The San Diego Association of Governments (SANDAG) has identified Chula Vista's share of regional housing needs for 1999-2004. The figures are contained in the Regional Housing Needs Statement adopted in 1999. Each jurisdiction must identify the sites (capacity) to meet their share of the region's housing needs. The regional share identifies the need for new housing units for each jurisdiction and distributes the projected housing need to all income groups: very low, low, moderate, and above moderate.

Table 30 shows Chula Vista's regional share goal and the income distribution of the goal. Chula Vista accounts for nearly 11 percent of the region's projected housing needs or 10,401 units.

TABLE 1: REGIONAL SHARE - 1999 - 2004 CHULA VISTA

Income Category	Housing Goal
Very Low Income (<50% Area Median Income)	1,889
Low Income (50-80% Area Median Income)	1,535
Moderate Income (80-120% Area Median Income)	2,388
Above Moderate Income	4,589
Total	10,401

Source: SANDAG

Residential Land

Besides the existing housing supply, another source of housing is the future housing potential expressed in vacant, residentially-designated land within the City. Most of the vacant land is located in eastern Chula Vista and will be developed under the “Planned Community (PC) Zone”, which permits varied densities and the use of flexible development standards.

Given the amount of developable vacant land within the master planned projects in eastern Chula Vista (Figure 6) and the land use designations of that land, there is sufficient vacant land to accommodate 28,569 homes in a wide range of housing densities. Of these units, 41 percent will be high density multi-family (Medium High at 11 to 18 units/acre and High at 18 to 27 units/acre). Another 11 percent will be in the 6 to 11 units/acre range which typically generates patio homes/townhomes. The remaining 48 percent are at densities for single-family homes (Low at 0 to 3 units/acre and Low Medium at 3 to 6 units/acre). Refer to Table 32.

Figure 4 shows the annual change in the number of housing units by type (single family and multi-family) in Chula Vista in past years, and presents the current forecast through 2007. This figure illustrates a dramatic increase in the number of new dwelling units, particularly in the past two years, and substantial growth in the number of multi-family units over the past year. This high level of new housing production with a large multi-family component is forecast to continue over the time frame cited.

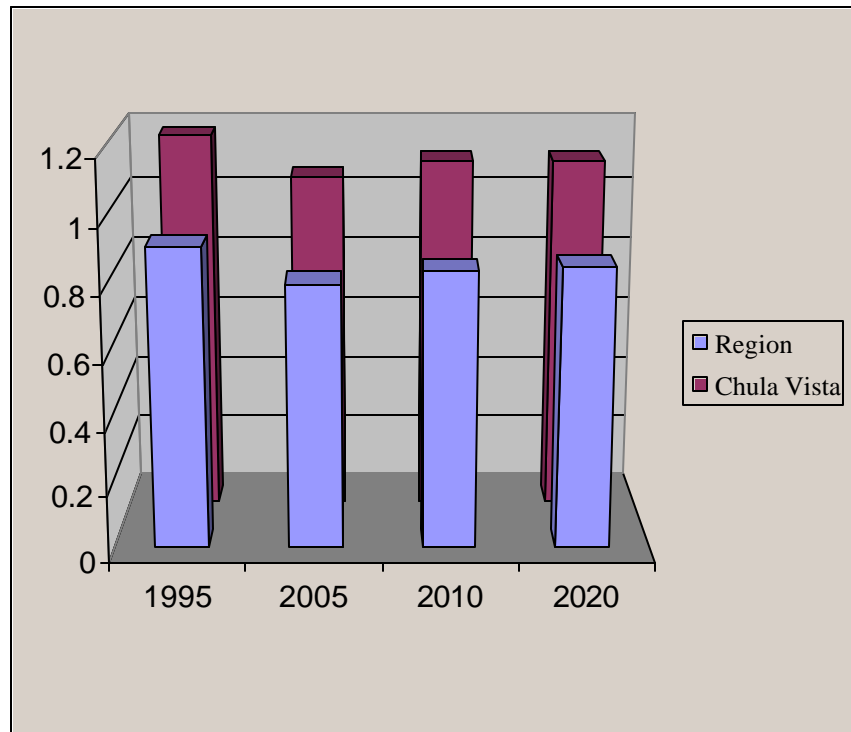
Figure 5 shows housing permits in the City of Chula Vista in comparison to San Diego County as a whole, and demonstrates the City’s expanding role in meeting regional housing needs.

The City of Chula Vista has a jobs/housing ratio that is significantly lower than that of the region. Alternatively stated, Chula Vista has more housing units per job than most other local jurisdictions and the region as a whole, further underscoring the City’s critical role in meeting regional housing needs. Table 31 and Figure 3 below illustrate this relationship.

TABLE 2: HOUSING UNITS PER JOB

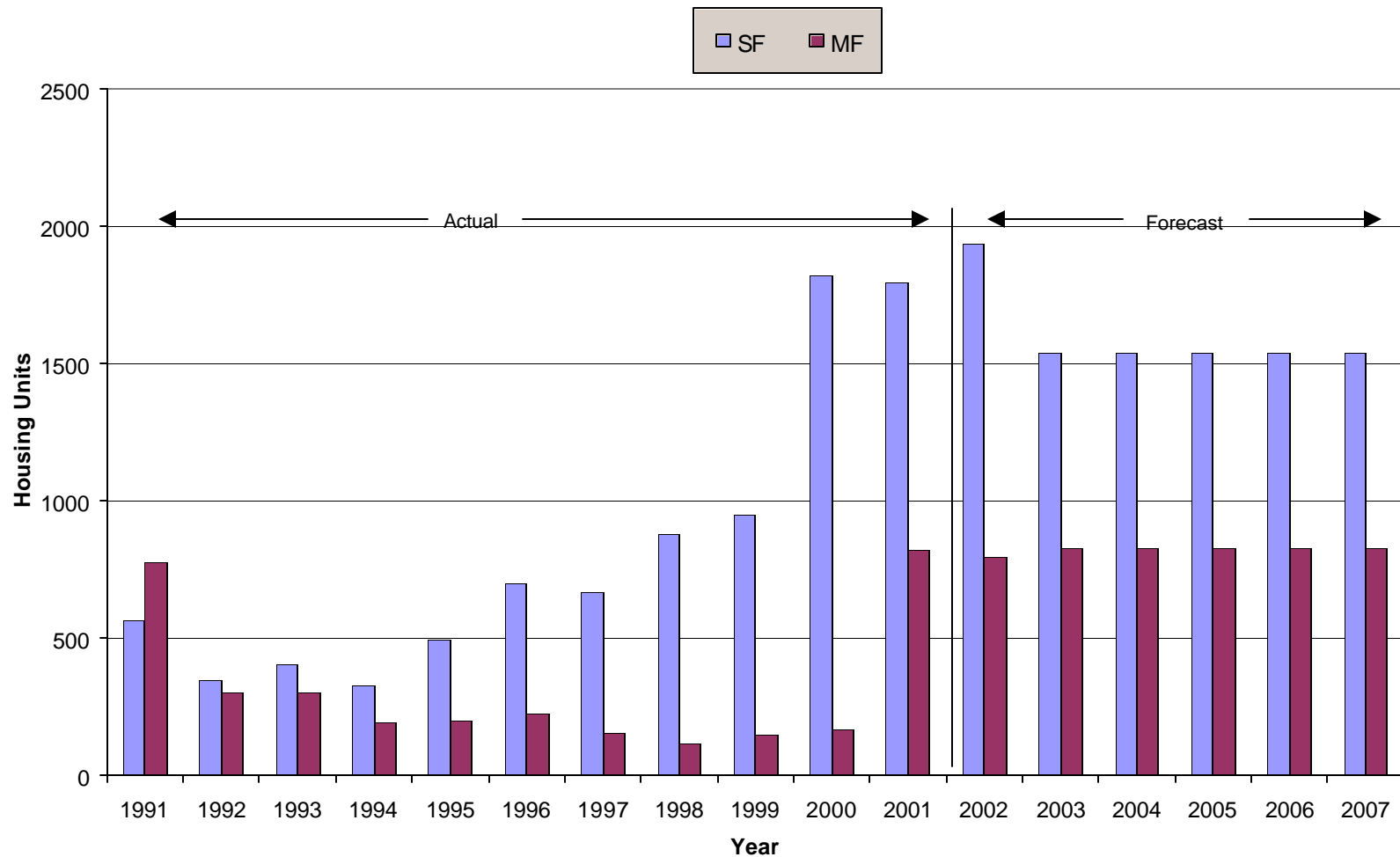
Year	Chula Vista	Region
1995	1.18	0.92
2005	1.05	0.81
2010	1.10	0.85
2020	1.10	0.86

FIGURE 1: HOUSING UNITS PER JOB



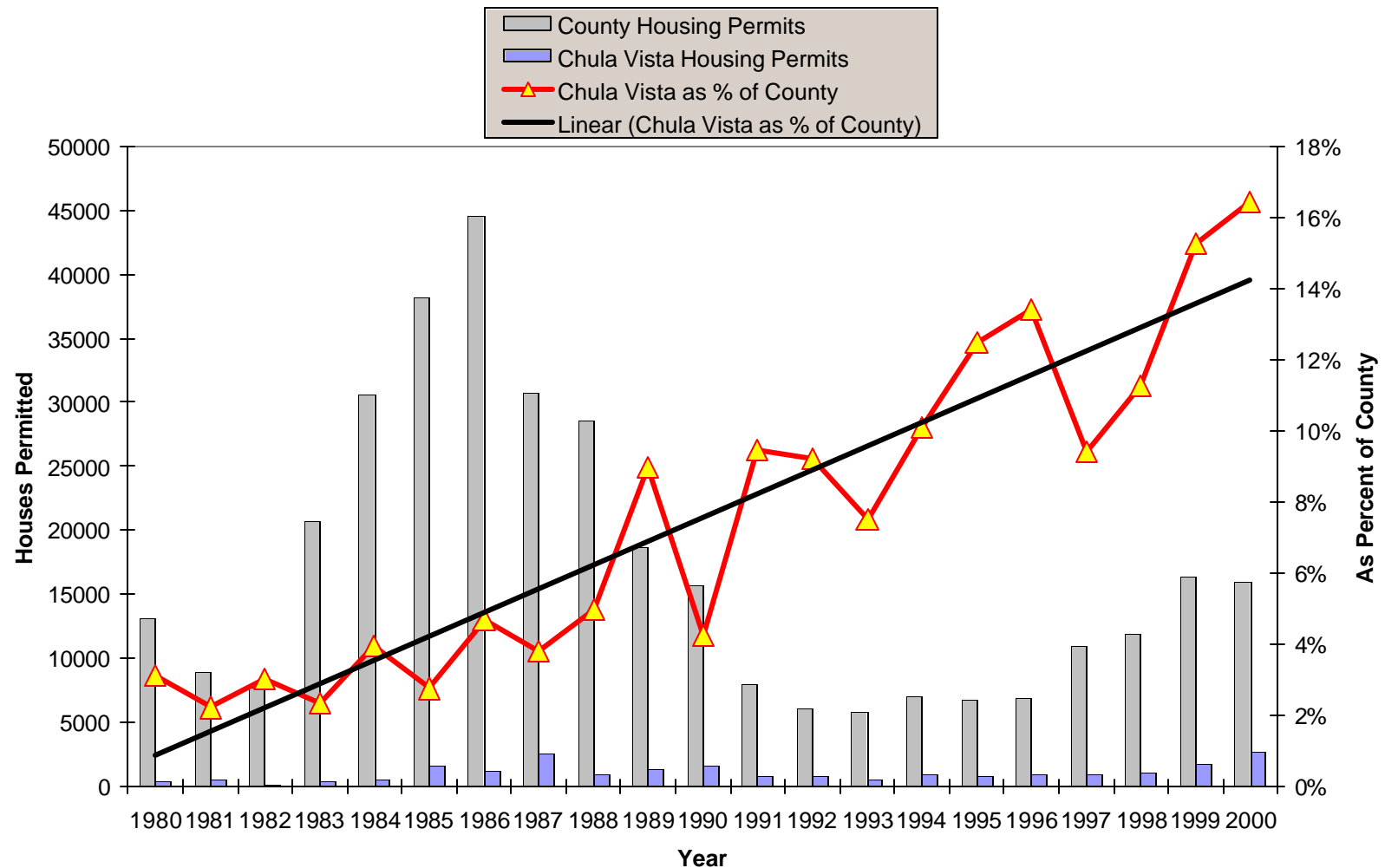
Source: San Diego Association of Governments. September – October, 1999. “2020 Cities/County Forecast for the San Diego Region.” [INFO](#).

**FIGURE 2: CITY OF CHULA VISTA ANNUAL CHANGE IN NUMBER OF HOUSING UNITS
BY TYPE AND YEAR 1991 TO 2007**



Source: Actuals from California Department of Finance for January 1 of reference year, with 2001 estimated based upon extrapolating actuals to date. Forecasts from developer estimates, market absorption studies, and site phasing plans.

FIGURE 3: HOUSING PERMITS IN CITY OF CHULA VISTA COMPARED TO SAN DIEGO COUNTY 1980 THROUGH 2000

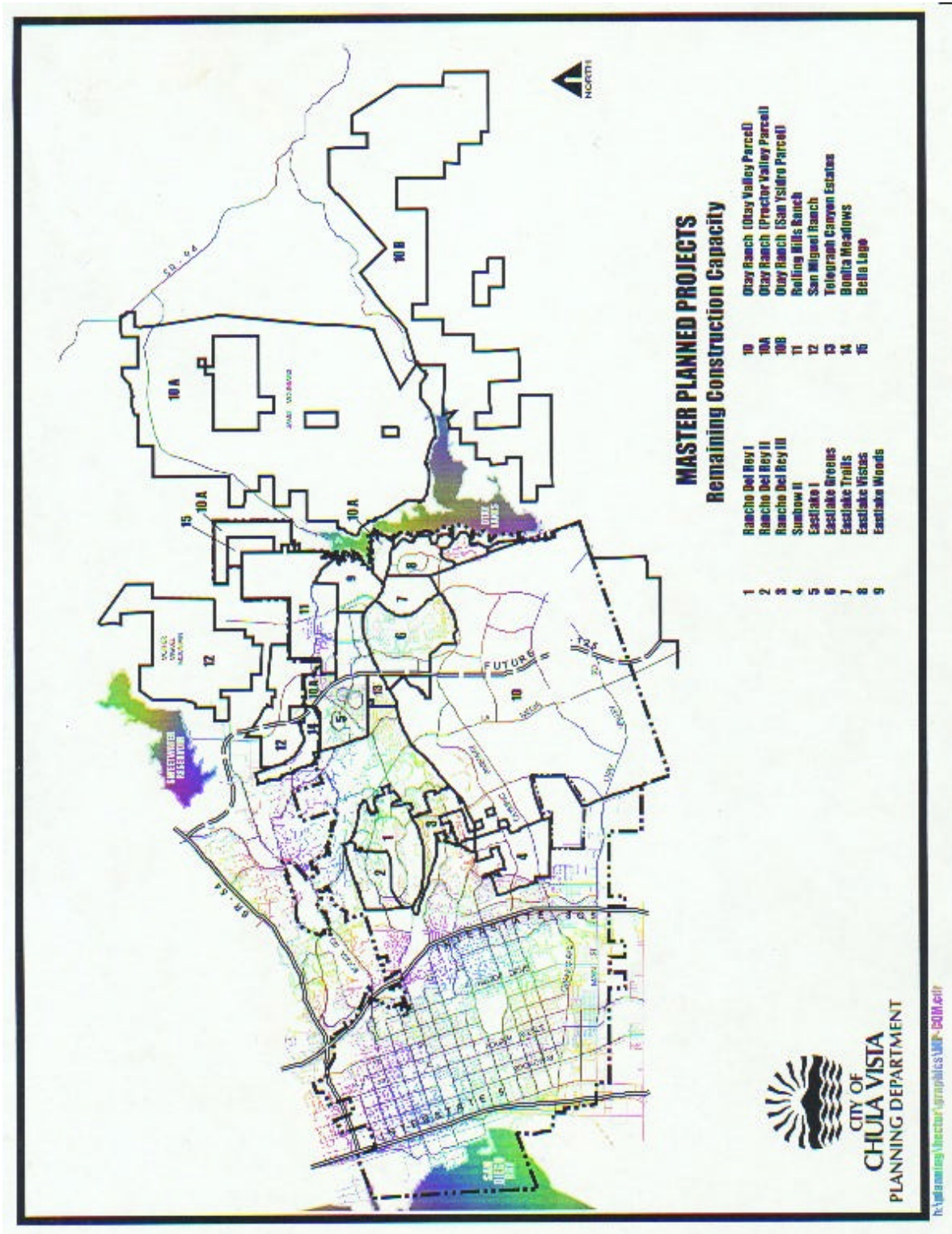


**TABLE 3: RESIDENTIAL CONSTRUCTION CAPACITY EASTERN CHULA VISTA
MASTER PLANNED PROJECTS**

Project	Low 0-3 du/ac	Low Med 3-6 du/ac	Med 6-11 du/ac	Med High 11-18 du/ac	High 18-27+ du/ac	Totals
Rancho Del Rey						
SPA I	17					17
SPA II	116					116
SPA III			246	154		400
EastLake						
Greens	41	66	129	1,031		1,267
Trails	88		487	274	294	1,143
Woods & Vistas	746	255	260	506		1,767
Otay Ranch (Otay Valley Parcel)						
SPA 1 (Villages 1, 1 West, & 5)						
The Otay Ranch Company		1,597	704		1,402	3,703
McMillin		539			940	1,479
The Otay Ranch Co. (1West)		772	214			772
Village 2		1,133		586		1,719
Village 4	329	203				532
Village 6		990		1,242		2,232
Village 7		1,303		448		1,751
Village 8		1,021		436		1,457
Village 11		745		1,001		1,746
Village 12 (EUC)					2,500	2,500
Otay Ranch (Proctor Valley Parcel)						
Birch Patrick Estates	123					123
San Miguel Ranch	157	673	435	129		1,394
Vista Mother Miguel		43				43
Sunbow II		720	241	444	214	1,619
Rolling Hills Ranch (Salt Creek)	675	1,045	529			2,249
Bonita Meadows	250					250
Bella Lago	290					290
Totals	2,832	11,105	3,031	6,251	5,350	28,569

Sources: General Development Plans and approved SPAs Major Projects Development Status Report,
August 16, 1999

FIGURE 4: MASTER PLANNED COMMUNITIES



Residential development capacity also exists in the older western area of Chula Vista. In contrast to eastern Chula Vista, much of this capacity exists on underutilized parcels as discussed below, although there are about 84 acres of vacant land with a capacity of 519 units. Of these vacant lands, 90 percent are at densities for single-family homes (predominantly Low Medium at 3 to 6 units/acre).

Total capacity City wide for new housing developed on vacant lands is approximately 29,088 units, with 40 percent of the units or 11,738 units anticipated at the higher density ranges to accommodate high density multifamily housing. Approximately 14,305 units are anticipated at the Low and Low Medium density ranges to accommodate single family homes. The remaining 3,044 units are at the Medium density range of 6 to 11 units/acre. This capacity for residential development on vacant lands is more than twice Chula Vista's regional share allocation of 10,401 units for the 1999-2004 housing cycle.

The number of potential housing units can be further augmented through the development of underutilized properties. An underutilized residential area can be defined as an area that was developed at a lower residential density than could be accommodated with the existing public facilities, infrastructure, and allowable density maximums (zoning). These underutilized residential areas are primarily located within western Chula Vista, where they were developed with single family residences or lower density multifamily.

Underutilized land has a capacity of another 1,097 units for a total of 1,616 units. Most of this capacity (1,109 potential units) is on land designated for high density development (18 to 27 du/acre).

Long term residency and continuation of older single family homes as rental properties contributes to the underutilization of the property. In these older areas of the City, there are many multifamily properties that are either owned by a family trust or by an absentee owner with no immediate plans for development. Historically, on average, the City has experienced residential construction levels of 25 units per year in western Chula Vista since 1980.

**TABLE 4: RESIDENTIAL CONSTRUCTION CAPACITY WESTERN CHULA VISTA
VACANT AND UNDERUTILIZED LAND**

General Plan Designation	Vacant		Underutilized	Total Potential Units
	Acres	Potential Units	Potential Units	
Low (0-3 du/ac)	15.19	37	8	45
Low Med (3-6 du/ac)	60.41	331	111	442
Medium (6-11 du/ac)	3.15	13	0	13
Medium High (11-18 du/ac)	0	0	7	7
High (18-27 du/ac)	5.14	138	971	1,109
Total	83.89	519	1,097	1,616

Density designations often have a relationship to the cost of housing or the feasibility of using gap financing to make units affordable. Table 34 correlates the City's capacity to provide potential residential units on vacant and underutilized property (Potential Units), Density and Regional Share by income level.

TABLE 5: REGIONAL SHARE AND UNIT POTENTIAL IN CHULA VISTA

Income Level	Units Needed Regional Share	Appropriate Density	Potential Units
Very Low- and Low- Income	3,424	High (18 to 27 dus/ac)	6,459
Moderate-Income	2,388	Medium High (11to18 dus/ac)	6,258
Above Moderate-Income	4,589	Medium (6to11 dus/ac)	3,044
		Low Medium (3 to 6 dus/ac)	11,547
		Low (0 to 3 dus/ac)	2,877
Total	10,401		30,185

Non-Residential Land

There are several non-residential zones within the City that allow for some form of housing development, as identified in Table 21. These zones, namely, Administrative and Professional Office (C-O), Central Business (C-B), and Central Commercial (C-C) have the greatest potential for future residential development. The C-O zone allows for multifamily residential development. Both the C-B and C-C zones allow for multifamily residential development in conjunction with commercial uses in a mixed-use setting. Residential development in these areas would further bolster the potential for accommodating new dwelling units in the City of Chula Vista.

The Chula Vista City Council has also adopted a Resolution of Support for the San Diego Association of Governments (SANDAG) REGION2020 Growth Management Strategy and smart growth principles. In this resolution, the City expressed its commitment, through its ongoing General Plan Update and other related efforts, to evaluate and promote land use distribution concepts and smart growth opportunities supportive of the regional growth management strategy.

The City of Chula Vista is also providing funding for and is actively participating in a joint South Bay "Transit First" program being conducted with the Metropolitan Transit Development Board. This effort will produce a transit plan and identify transit projects in Chula Vista and the South San Diego Bay area. The City's General Plan Update will integrate smart growth land use distribution concepts and opportunities, where feasible, including higher residential densities and employment intensities and mixed use areas, with the network of transit stations and corridors identified through the South Bay Transit First program.

Availability of Public Services and Facilities

As previously noted in Section II, the City has been implementing and refining a comprehensive and successful growth management program since 1986. The program's main purpose is to support development while maintaining the community's quality-of-life by ensuring appropriate provision of eleven different public facilities and services as development occurs. Level-of-service Threshold Standards have been established for each of the eleven facilities and services and are analyzed as part of the development review process.

The City uses a number of different mechanisms to ensure funding to support required facilities and services including Development Impact Fee Programs (DIFs) for transportation and public facilities, community facilities districts (CFDs), and development exactions. Larger new master planned projects (mainly in the developing eastern Chula Vista area) are required to prepare a Public Facilities Financing Plan (PFFP) to identify facility and service needs in accordance with the development's proposed phasing, and the funding mechanisms to ensure they will be available when needed. In the older, built-up western area of the City, most of the backbone facilities and services necessary to support the infill and redevelopment capacities of adopted plans are largely in place today.

In addition to PFFPs, and as a way of monitoring and evaluating citywide facility and service availability, the City's Growth Management Oversight Commission (GMOC) conducts an annual compliance review for each of the eleven Threshold Standards. In the event that any deficiency or concern is identified, action oriented recommendations are made. The City also uses the annual GMOC process as a planning tool for the City's Capital Improvement Program.

Opportunities for Energy Conservation

The primary uses of energy in urban areas are for transportation lighting, water heating, and space heating/cooling. The high energy costs are an impetus to reduce or minimize the overall level of urban energy consumption.

Title 24, Building Energy Standards for Residential Development, establishes energy budgets or maximum energy use levels. The standards of Title 24 supercede local regulations, and State requirements mandate Title 24 requirements though implementation by local jurisdictions. The City will continue strict enforcement of local and state energy regulations for new residential construction, and continue providing residents with information on energy efficiency.

As previously described the City is also using consultant assistance to create a program to reduce energy consumption and achieve other conservation goals.

REDEVELOPMENT HOUSING OBLIGATIONS

Legislative Framework

State Redevelopment Law provides the mechanism whereby cities and counties within the State can, through adoption of an ordinance, establish a redevelopment agency. The agency's primary purpose is to provide the legal and financial mechanism necessary to address blighting conditions in the community through the formation of redevelopment project areas.

State Redevelopment Law also requires the redevelopment agency to address housing issues for low- and moderate-income residents in the following ways:

- Expend 20 percent of the tax increment revenue to increase and improve the supply of low- and moderate- income housing;
- Replace low- and moderate-income housing which is destroyed as a result of a redevelopment project (replacement housing obligation); and
- Ensure that a portion of all housing constructed or substantially rehabilitated in a redevelopment project area be affordable to low- and moderate-income housings (inclusionary housing obligation).

Redevelopment in Chula Vista

The Chula Vista Redevelopment Agency was activated in 1974 with the adoption of the Bayfront Redevelopment Area. Since its formation, the Agency has adopted five redevelopment plans in the City (as shown on Figure 4):

- Bayfront (1974)
- Town Centre I (1976)
- Town Centre II (1978)
- Otay Valley Road (1983)
- Southwest (1990)

Redevelopment Housing Set-Aside

Pursuant to State Law, the Redevelopment Agency has established a Redevelopment Housing Set-Aside Fund using 20 percent of the tax increment revenue. As part of the Agency's efforts to meet its unmet housing needs, these funds have been and will continue to be used to create affordable housing units.

According to the Five-Year Redevelopment Implementation Plan for 2000-2005, the Agency estimates the following yearly tax increment to be deposited by the Agency by project area.

TABLE 6: LOW/MODERATE-HOUSING FUNDS AVAILABLE SEPTEMBER 1999

Low- and Moderate-Income Housing Fund	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	TOTAL
Starting Balance of \$4,942,300						
Total Annual Deposits (20% TI deposits by project area)						
BF/TCI	589,058	612,246	636,393	661,018	686,151	3,184,866
OTVR	232,339	239,309	246,488	253,883	261,499	1,233,518
TCI	211,453	217,797	224,331	231,061	237,992	1,122,634
SW	173,623	178,832	184,197	189,723	195,415	921,790
Interest & Other Income	326,000	328,760	331,548	334,365	337,209	1,657,882
Total Revenue	1,532,473	1,576,943	1,622,957	1,670,050	1,718,266	8,120,690

The total revenues to be deposited over the five-year period are estimated at \$8,120,700. The beginning balance in the low- and moderate-income housing fund as of July 1, 1999 was approximately \$4,942,300. Therefore, the estimated amount of tax increment housing set-aside projected to be available over the five-year period for the development and assistance of affordable housing projects is \$13,063,000.

Based on existing programs and pro-forma cost projections for new and rehabilitated units, up to 725 additional units, could be created through the leveraging of Redevelopment Housing Set-Aside Funds over the five-year period. Funds are allocated among newly constructed and rehabilitated units as follows: 700 new-housing units; and 25 substantially rehabilitated housing units. The Agency anticipates assisting 60 low-income homeowners each year with the minor rehabilitation of their homes through the Community Housing Improvement Program (CHIP).

**TABLE 7: ANNUAL HOUSING UNIT PRODUCTION REDEVELOPMENT SET-
ASIDE FUNDS**

Price Restricted Housing Production	2000	2001	2002	2003	2004	Five Year Total
Housing Units to be developed	140	140	140	140	140	700
Housing Units to be substantially rehabilitated	5	5	5	5	5	25
Total housing units to be price restricted (acquisition of price restriction covenants for existing housing)	145	145	145	145	145	725
Housing Units to be otherwise assisted by the Agency (non-restricted)	60	60	60	60	60	300

Replacement Requirements

Section 33413(a) of the California Health and Safety Code requires that whenever units housing persons of low- and moderate-incomes are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project, the Agency shall within four years of the destruction or removal of such housing, rehabilitate, develop or construct for rental or sale, to persons of low- and moderate-income, an equal number of replacement units. At least 75 percent of these replacement units must be made available at an affordable housing cost for the same income level as the household that was displaced.

Since the inception of redevelopment in Chula Vista, the Agency has incurred an obligation to replace 157 units that were demolished as a result of redevelopment activities in the various project areas. To fulfill this obligation, the Agency provided financial assistance to several residential developments throughout the City, resulting in the construction of 258 very low- and low-income housing units. Of the 258 units, 192 are for very low-income households and 66 are for low-income households.

CITY OF CHULA VISTA
PLANNING DEPARTMENT

REDEVELOPMENT SITES

LEGEND

- BAYFRONT
- TOWN CENTER I
- TOWN CENTER II
- SOUTHWEST
- OTAY VALLEY ROAD

Scale: 0 1/2 1 MILE

Map labels: SAN DIEGO BAY, INTERSTATE 5, INTERSTATE 805, SR-54, FUTURE SR-12.

Affordable Housing Production (Inclusionary) Requirements

Section 33413(b) (1) and (2) of the California Health and Safety Code imposes inclusionary requirements for affordable housing for all residential development in Redevelopment Project Areas, whether developed by the Agency or by private entities. For the project areas adopted on or after January 1, 1976, the following restrictions apply:

- At least 30 percent of all new or substantially rehabilitated housing units developed by a redevelopment agency must be affordable to persons of low- and moderate-income. Not less than 50 percent of those units (15 percent of the total) must be available to very low-income persons.
- For units developed by other public or private entities, at least 15 percent of the units must be affordable to low- and moderate-income persons; not less than 40 percent of these units must be made affordable to very low-income persons.
- Affordable units created outside of the project areas may be counted toward this requirement on a two for one basis.

Agency Assisted/Price Restricted Housing for the Next Five Years

Based on low/moderate-housing funds available, it is anticipated that 700 units will be developed or substantially rehabilitated over the next five years. The following projects are anticipated to be developed within the next five years. The Agency will consider providing financial assistance to these projects. Of these units, it is estimated that 117 units will be developed/rehabilitated within the redevelopment project areas.

Trolley Trestle - The Agency approved financial assistance in FY 1998-99 to a local non-profit organization for the construction of this project. Trolley Trestle, located within the Southwest Redevelopment area, is an 11-unit housing development for those extremely low-income youths completing the San Diego County Foster Care Program. It is anticipated that construction will be completed by December 2000.

Villa Serena – The Agency provided assistance in FY 1998-99 to this 132-unit low-income senior housing development. It is anticipated that construction will be completed in Summer 2000.

Rolling Hills Ranch – The developer has proposed construction of 32 low-income family units and 116 low-income senior units.

EastLake Greens – The developer has proposed construction of 130 for sale townhomes for low-income homebuyers.

Otay Ranch –The developer has an obligation to develop 10 percent of the units within this master planned community for both low-income and moderate-income households. At this point in time, the required number of affordable units is estimated to be 232 units.

Pear Tree Apts – The Agency approved financial assistance in FY 1999-2000 to acquire and substantially rehabilitate this 119-unit apartment project. All units are proposed to be affordable to very low and low-income households. It is anticipated that construction will be completed by Spring 2001.

Main Plaza – The Agency has approved a mixed-use development of 106 low-income affordable units with 15,000 square feet of commercial use. This project is located within the Southwest Redevelopment area.

It is anticipated that the development of these projects within the next five years will create an additional surplus of low- and moderate-income units for the Agency.